

UNEMPLOYMENT INSURANCE (UI) BOARD MEETING

Date: August 2, 2006

Time: 10:02 A.M.

Location: 10 N. Senate Avenue, Room 301A
Indianapolis, IN 46204

PRESENT: Bob Dickerson, President; Brent Schoolcraft, Vice-President; Mo Davison, Samuel Schlosser, Sean Seyferth, and Dave Thomas—Members. Also in attendance were: Kristy Musall, Acting Deputy Commissioner, Employment Growth; Monty Combs, Deputy Commissioner Finance/Controller; Teresa Voors, Chief Legal Counsel; Nicole Iaria, Chief of Tax; and Laura Merrion, IDWD Staff Attorney.

- Called to order by Bob Dickerson
- Quorum was present
- Guest present: John Humphrey, bankruptcy lawyer with Sommer Barnard PC (representing Buehler LLC)
- Mr. Dickerson noted that Ms. Weber had given birth to a baby boy on August 1st. Adding that she looked to be back at work by the Board's October meeting.

COMMISSIONER'S REPORT:

- Mr. Combs noted that the Commissioner was out-of-town and therefore, would be unable to attend the day's meeting.

OLD BUSINESS:

- Mr. Dickerson noted that as per Ms. Musall a correction was being made to the minutes of the June 7, 2006, as mailed. The minutes, as corrected, were unanimously adopted on a motion by Mr. Schoolcraft, with a second by Mr. Schlosser. All members present signed the official Minute Book.
- Mr. Combs noted that Ms. Weber had left no mention regarding the possibility of Ivy Tech hosting a Board meeting at one of its campuses in September or October. Ms. Voors, however, agreed to follow up with Ms. Weber and report her findings at the September meeting.
- Mr. Combs updated the Board on the status of the debit card program, noting that a fully executed contract had been negotiated and signed with ACS (Affiliated Computer Services), Inc. to run the program—that will be of no cost to the state for the service; In addition, Mr. Combs noted that:
 - The cards themselves are being made by a vendor who is located in Indianapolis, and they will produce and mail the cards—which is an added benefit to Hoosier workers and the state;
 - ACS will maintain a call center within the state—with eight to nine full-time equivalent employees—to handle queries;

- Claimants can choose to get an e-mail or automated phone message notifying them of deposits;
- The program would be under the “Visa” logo (by the Board’s September meeting, a design for the card should be finalized);
- Claimants would be allowed one free atm/bank transaction per deposit, and may use them as they would any other debit card at merchants which accept Visa branded cards; and
- IDWD hoped to fully launch the program on November 1, 2006.

Mr. Combs added that Visa was giving the State one hundred thousand dollars (\$100,000.00) to use for marketing the program, as well as access to its marketing staff. It is projected that the savings to the UI program would be around \$1.8 million dollars annually, Mr. Combs reiterated. Mr. Seyferth asked if the state would be tracking the card use. Ms. Voors replied that because UI does not restrict use, the state had no need to track it. Mr. Combs added that other agencies are looking into attaching to the contract.

NEW BUSINESS:

- Ms. Iaria noted that Buehler LLC was seeking the Board’s approval to have its 2006 merit rate recalculated. As outlined in her handout, Ms. Iaria stated that under some circumstances the Board had given the agency permission to make such decisions (i.e., in the case of fire, flood, earthquake, tornado, incapacitation, death of owner, embezzlement, employee deception). Mr. Humphrey proceeded to explain that Buehler had filed bankruptcy and expounded on what it could and could not do while under bankruptcy protection—adding that Buehler is now current with IDWD. Ms. Voors asked to clarify that Buehler was only asking to have its merit rate recalculated, that it was not asking to waive any interest or penalties, Mr. Humphrey concurred. After hearing Mr. Humphrey, several Board members expressed concerns about this setting a precedent and asked if it could be researched if any similar situations had occurred previously and what type of stand the Board may have taken on such an issue. In addition, they asked if data could be obtained on how many other companies may find themselves in this type of situation that could also make such a request of the Board. Ms. Voors agreed to try and comply with the request. Mr. Schoolcraft made a motion to table the issue until the September meeting, and Mr. Seyferth seconded the motion. Mr. Dickerson called for a vote, and the issue was tabled until the September meeting.
- Referring to her handout Ms. Merrion updated the Board on collection efforts being made by the Collection Enforcement Unit (CEU)—noting that in June CEU collected some \$2 million (\$1.6 million in taxes/\$400,000.00 in interest and penalties). In addition, Ms. Merrion noted that with regards to tax lawsuits during the month of June some \$100,000.00 was collected as a result of lawsuits. Although not reflected in this report, Ms. Merrion added, that one employer paid his account current (\$16,000.00) so that the AG would dismiss its suit. In light of the situation with Buehler, Mr. Schlosser asked if there was an idea as to how many of the listed bankruptcies would be in the same “category” as Buehler. Ms. Voors replied that she wasn’t sure, but could see if there was some way to pull that information out of the system.

ROUND TABLE DISCUSSION:

- Mr. Dickerson asked about the status of the summer ALJ program. Ms. Voors noted that all but one participant had completed their summer placement obligation—that student had one remaining week. Over the summer the students heard some 1,300 cases, and from what she had heard they did a fantastic job, Ms. Voors added. She believed Ms. Weber was going to ask a few of the students to continue to “help out”, Ms. Voors stated, in order to help keep numbers down.
- Mr. Dickerson asked what the status of the Board’s *Annual Report* was—as he believed the Board had approved of it in May. Ms. Voors indicated that she did not know the current status, but again she would follow-up with Ms. Weber and report to the Board at its September meeting.
- Mr. Schoolcraft inquired as to the status of the remaining Board vacancy. Ms. Voors responded that Ms. Valentine was still working with the Governor’s office to find someone to fill that vacancy.
- Mr. Combs noted that he would like to make the Board aware of several RFP’s (Requests for Proposal) that the agency currently has out or will be putting out in coming months--
 - One for Major Opportunities—a statutory obligation from the P&I Fund to fund minority training (up to \$2 million annually)—the RFP is on the street and proposals are due back the middle of August;
 - The Indiana Plan contract—which is funded through the Board—has been extended until the time the Major Opportunities grants are awarded, noting no new dollars were needed as there were still funds available under its current contract;
 - A job matching system that will be more streamlined/beneficial for employees/employers;
 - Common construction wage—due back in late August—that will compile a survey of employers to determine a common construction wage. Mr. Seyferth asked for further clarification as to what would be involved, for which Ms. Voors outlined the process and the information being sought under the RFP;
 - A collections program to supplement internal activities—projected issue date sometime in August; and,
 - Banking services (e.g., tax collections through a lockbox system) contracts that will probably be issued sometime closer to the end of the year.

ADJOURNMENT: Meeting was adjourned at 10:51 a.m.

REVIEW OF MEETINGS: Next meeting is September 6, 2006 at 10:00 a.m. at IDWD’s Administrative Office.